

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**HB 1276 - SB 1330**

April 9, 2013

**SUMMARY OF BILL:** Creates the Labor Education Alignment Program (LEAP). The program shall enable students enrolled in public community colleges and technology centers to participate in employment training and combine this training with academic credit that can be used towards acquiring a post-secondary education credential. Such a program may be created by any community or technology center with the approval of the Tennessee Board of Regents (TBR). Any earnings received by participating students shall not be used to determine the students' eligibility to receive state financial assistance or grants. Credit earned in the program shall be transferable to other technology centers, community colleges, and post-secondary institutions in accordance with established transfer pathways.

Requires the Tennessee Higher Education Commission (THEC) to coordinate with the Department of Labor and Workforce Development (LWD) and the Department of Economic and Community Development to establish the LEAP program. Sets forth what priorities THEC and its partners shall coordinate and implement. Authorizes ECD, in consultation with TBR and THEC to award grants to state technology centers or community colleges where advanced training opportunities or a highly-skilled workforce is lacking. Grant funds shall be used by such institutions to establish and implement a labor education alignment program. Requires ECD to establish procedures for grant applications, eligibility, reporting requirements, and the maximum amount for grant awards.

Establishes a "workforce advanced training fund" that shall consist of monies appropriated by the General Assembly. Monies in this fund shall be invested by the Treasurer and used for the costs of LEAP program establishment and to award LEAP grants.

Requires ECD to make an annual report, on any workforce needs within existing and prospective businesses or industries in Tennessee, including any areas of specialization within a vocation that are indentified by ECD to be necessary to attract, develop, and retain high-skill or high-technology businesses or industries, to THEC and LWD on or before November 1, 2013, and each subsequent year. Requires THEC make a report to the Education Committees of the General Assembly on or before January 1, 2016, on degree completion within the LEAP program and LEAP program goals for the upcoming year. Requires a report on job placement and recommendations for legislation to be made by THEC to the Senate Commerce and Labor Committee and the House Consumer and Human Resources Committee on or before January 1, 2016, and each subsequent year.

THEC shall monitor the LEAP program and require periodic reporting on LEAP activities from technology centers and community colleges. The LEAP program shall be implemented beginning January 1, 2014. Promulgating rules and regulations for the LEAP program and reporting requirements shall be effective upon becoming law.

## **ESTIMATED FISCAL IMPACT:**

On March 19, 2013, a fiscal note was issued for this bill with the following fiscal impact:

Increase State Expenditures - \$18,184,800

On April 9, 2013, revised information was received for the Department of Economic and Community Development. Based on this revised information, the fiscal impact of the bill is:

**(CORRECTED)**

**Increase State Expenditures – Not Significant**

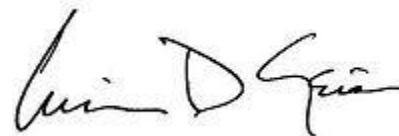
**Other Fiscal Impact – The fiscal impact to create the programmatic framework for the LEAP grant program is estimated to be not significant. To the extent that the General Assembly appropriates funding for grants to implement the program, either in FY13-14 or a subsequent fiscal year, the increase in state expenditures for grants is reasonably estimated to exceed \$1,000,000.**

Assumptions:

- Based on information received from ECD, once the General Assembly appropriates funding, either in FY13-14 or in a subsequent fiscal year, a determination will also be made to fund any additional positions to run the LEAP grant program. Any such necessary positions would be included in the future appropriations.
- Based on previously funding training programs, ECD reasonably estimates that funding for the new LEAP grant program awards would need to be approximately \$2,000,000 in each of the nine ECD regions each year; a total recurring increase in state expenditures for grants of \$18,000,000; however, it is reasonably estimated the funding from the General Assembly would exceed \$1,000,000 upon appropriation.
- Any increase in state expenditures to compile data and release reports on the LEAP program is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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